

**AGENDA**



Thursday, June 8, 2006

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~~ITEM 52~~

**Purchasing Service Agreement  
RECOMMENDATION FOR COUNCIL  
ACTION**

**Subject:** Authorize award, negotiation and execution of a 12-month requirements service contract with UMS GROUP, INC., Parsippany, NJ, for an operating and capital cost structure and benchmarking analysis of Austin Energy in an amount not to exceed \$98,500.

**Amount and Source of Funding:** Funding is available in the Fiscal Year 2005-2006 Approved Operating Budget of Austin Energy.

**Fiscal Note:** There is no unanticipated fiscal impact. A fiscal note is not required.

**For More Information:** Sandy Calles, Sr. Buyer/322-6487

**Prior Council Action:**

**Boards and Commission Action:**

**Purchasing Language:** Best evaluated proposal of the five proposals received.

**MBE/WBE:** This contract will be awarded in compliance with Chapter 2-9 of the City Code (Minority Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

**Additional Backup Material**

(click to open)

No Attachments Available

This contract is for consulting services from UMS Group, Inc. to review and evaluate Austin Energy's (AE) operating and capital cost structures, capital improvement planning criteria, and benchmark AE's operating and capital costs within the electric industry using benchmark results. The contractor will identify utility-wide opportunities for cost reduction and operational efficiencies and/or changes in capital planning criteria, assist AE in the development of utility-wide executive level key performance indicators to assist in closing benchmark gaps, and provide AE with performance metrics to adopt and serve as primary, utility-wide performance indicators and diagnostics for both operational and capital improvement planning.

The services provided in this contract will support AE's "Maintain Financial Integrity" objective, which is a core element of its overall Risk Management Strategy, as indicated in the 2003 Council-approved Strategic Plan.

MBE/WBE solicited: 24/7 MBE/WBE Responded: 0/0

**PRICE ANALYSIS**

- a. Adequate competition
- b. Thirty-one notices were sent, including 24 MBEs and 7 WBEs. Fourteen solicitations were issued. Five proposals were received with no response from the MBEs/WBEs.

**APPROVAL JUSTIFICATION**

- a. Best evaluated proposal
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.